



# Master Terms of IRA Custodial Accounts

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## 1. GENERAL.

1.1 **Disclosure Statement and Master Terms of Individual Retirement Accounts.** The Disclosure Statement and Master Terms of Comerica Individual Retirement Accounts (“Master Terms”) is the legal document that contains the official rules relating to and governing the operation of IRAs established at Comerica.

These Master Terms governs both Regular IRAs and Roth IRAs. “IRA” refers to both a Regular IRA and a Roth IRA. Where provisions of these Master Terms applies only to a Regular IRA or a Roth IRA, but not the other, separate sections are provided, and a statement that a particular section applies to a Regular IRA or a Roth IRA means that the section is applicable to only the referenced IRA.

IRAs are custodial accounts established for the exclusive benefit of you and your beneficiaries and that meet requirements set forth in the Code.

Capitalized terms have the meaning provided to them in Section 1.2 of these Master Terms.

If this is an Inherited IRA maintained for the benefit of a designated Beneficiary of a deceased Individual, references in this document to the Individual are to the deceased Individual.

IRAs are intended to help individuals accumulate funds for their retirement and are therefore subject to many restrictions imposed by the Code. Consequently, please read the following information carefully.

Selected tax laws applicable to IRAs are also summarized in these Master Terms. Comerica does not provide legal or tax advice and the information provided in these Master Terms are only for informational purposes. You should consult with your tax advisor if you have further questions about your IRA. Further information regarding IRAs may also be obtained from any district office of the Internal Revenue Service.

1.2 **Definitions.** The following words when capitalized in these Master Terms have the meanings appearing below.

- (a) **“Active Participant”** means, with respect to any plan year, an individual who:
  - (i) makes deductible contributions to a trust under Code Section 501(c)(18) (generally, a union plan created before June 25, 1959 consisting solely of employee contributions); or
  - (ii) is in (a) a pension, profit-sharing, or stock bonus plan qualified under Code Section 401(a); (b) an annuity plan qualified under Code Section 403(a); (c) a plan established by the United States, a state or political subdivision thereof, or by an agency or instrumentality of either, for its employees; (d) a tax-sheltered annuity or custodial account under Code Section 403(b); or (e) a SEP, or any SIMPLE IRA. Active Participant includes an individual who is eligible for an employer’s 401(k) plan but does not contribute.
- (b) **“AGI”** means:
  - (i) for Regular IRAs means your total income less certain deductions under Code Section 62. If you are subject to the tax deduction limit appearing at Code Section 219(g) that applies to Active Participants in certain pension plans, your adjusted gross income will be determined after application of Code Sections 86 and 469, without regard to Code Sections 135, 137 or 911 and disregarding deductions under Code Section 219.
  - (ii) for Roth IRAs means your total income less certain deductions under Code Section 62 modified by determining it; (a) after application of Code Sections 86 and 469; (b) without regard to Code Sections 135, 137 or 911; (c) taking into account deductions under Code Section 219; and (d) disregarding income taken into account under Code Section 408A(d)(3).
- (c) **“Adoption Agreement”** means the agreement you must sign to establish an IRA at Comerica.

- (d) **“Applicable Amount”** means the sum of the IRA Contribution Limit and the IRA Catch-Up Contribution (if applicable) listed in Appendix A for the year to which the contribution relates.
- (e) **“Beneficiary”** means the individual or entity you designate, in writing on a form Comerica will provide to you, to receive the funds in your IRA following your death. You may designate an individual, your estate, a trust or another entity as your Beneficiary. Beneficiary includes any alternate Beneficiary you name to receive the share of any Beneficiary who predeceases you or who Comerica is unable to contact.
- (f) **“Code”** means the Internal Revenue Code of 1986 as it may be amended from time to time.
- (g) **“Collectibles”** means items described at Code Section 408(m) such as works of art, rugs, antiques, metals (other than certain gold, silver, platinum or palladium bullion referred to at Code Section 408(m)(3)), gems, stamps, coins (other than certain gold, silver and platinum coins issued by the United States government and coins issued by States) alcoholic beverages, or any other tangible personal property specified by the Secretary of the Treasury or his delegate as a collectible.
- (h) **“Comerica”** means the Comerica affiliate with whom you have established your IRA, as identified on your Beneficiary Designation and/or Adoption Agreement. Comerica may refer to one or multiple Comerica affiliates.
- (i) **“Compensation”** means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code Section 401(c)(2) (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Code Section 401(c)(2) shall be applied as if the term trade or business for purposes of Code Section 1402 included service described in Code Section 1402(c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includable in gross income (determined without regard to Code Section 112). Compensation also does not include any amount received as a pension or annuity or as deferred compensation. Compensation includes any amount includable in your gross income under Code Section 71 with respect to a divorce or separation instrument described in Code Section 71(b)(2)(A). Compensation also includes any differential wage payments as defined in Code Section 3401(h)(2). For the purpose of determining the limits on contributions to a Roth IRA of a married individual filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse’s compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a Regular IRA.
- (j) **“Custodian”** means the entity which holds the funds of your IRA, which is Comerica unless otherwise specified.
- (k) **“Eligible Retirement Plan”** means a plan defined in Code Section 401(a), 403(a), 403(b), 408(a), 408(b) or 457(b).
- (l) **“Individual”** means the person for whose benefit the IRA was established whether such person established the IRA for himself or herself, or whether it was established by another person, such as an employer or spouse. The words “you” and “your” mean the Individual.
- (m) **“Inherited IRA”** means an IRA defined in Code Section 408(d)(3)(c) maintained for the benefit of an individual who acquired such account by reason of the death of another person except for surviving spouses who elect to treat as their own their deceased spouse’s IRA.
- (n) **“Interest-Bearing Account”** means an interest-bearing deposit account offered by Comerica as an IRA investment, including, but not limited to, any Certificate of Deposit or Savings Account. Refer to the Business and Personal Deposit Account Contract for a more complete discussion of your IRA Investment options.
- (o) **“IRA”** means an individual retirement account established hereunder pursuant to either Code Section 408(a) or Code Section 408A. As it relates to making a rollover contribution to your IRA, such term also includes an individual retirement annuity described at Code Section 408(b).

- (p) “**IRS**” means Internal Revenue Service.
- (q) “**Life Expectancy**” means the number of years you or your spouse or Beneficiary (or you and your spouse or Beneficiary jointly) are expected to live according to Treasury Regulation Section 1.401(a)(9)-9. Life Expectancy determines the length of the payout period of required distributions from your Regular IRA and of required distributions to your Beneficiaries from your Roth IRA.
- (r) “**Other Permissible Investments**” means any assets other than an Interest-Bearing Account eligible for acquisition (as an investment) by your IRA under these Master Terms and Code Section 408 and 408A, if applicable if and to the extent permitted by Comerica.
- (s) “**Qualified Distribution**” means one which is made after five years have elapsed beginning with the first day of the Tax Year for which you made your first contribution to your Roth IRA relates and one of the following conditions is met. The distribution is (i) made on or after you attain age 59-1/2; (ii) made after you become disabled; (iii) made after your death, to your Beneficiary; or (iv) used to pay first-time homebuyer expenses.
- (t) “**Qualified Reservist Distribution**” means a distribution from an IRA by an Individual who is a member of a “reserve component” that is made between the date the Individual is ordered or called to active duty and the date active duty ends and whose active duty is to be for at least 180 days or for an indefinite period. “Reserve component” means the Army National Guard of the United States, Army Reserve, Naval Reserve, Marine Corps Reserve, Air force Reserve, Air National Guard of the United States, Coast Guard Reserve or Reserve Corps of the Public Health Service.
- (u) “**Regular IRA**” means an IRA established under Code Section 408. The term includes Regular IRAs, individual retirement annuities established under Code Section 408(b) and IRAs under a SEP or a SIMPLE IRA.
- (v) “**Required Beginning Date**” means the April 1st of the calendar year following the calendar year in which you reach age 73.
- (w) “**Roth IRA**” means an IRA established hereunder as described at Code Section 408A.
- (x) “**SEP**” means a simplified employee pension described at Code Section 408(k).
- (y) “**SIMPLE IRA**” means a SIMPLE IRA described at Code Section 408(p).
- (z) “**Spousal IRA**” means a separate IRA that your spouse, with whom you file a joint income tax return, may choose to establish for himself or herself.
- (aa) “**Tax Year**” means your annual accounting period for federal income tax purposes. For most individuals the taxable year is the calendar year.

## 2. IRA ESTABLISHMENT AND ELIGIBILITY

### 2.1 Establishing an IRA.

You may establish an IRA, if you are eligible, by completing an Adoption Agreement, making an initial contribution and receiving copies of the governing documents. By signing the Adoption Agreement, you agree to be bound by these Master Terms and other governing documents.

2.2 **Revoking Your IRA.** You may revoke your IRA by mailing or delivering a written notice of revocation to the Custodian within seven calendar days of the date you established the IRA. Your IRA can be revoked only during this seven day period. You should address any notice of revocation to the banking center in which you opened your IRA or closest Banking Center. To locate the closest banking center visit [comerica.com](http://comerica.com).

In the revocation notice include the name/location of the banking center where your IRA was established and your account number.

If the written notice is mailed, your IRA shall be considered revoked if the notice is postmarked with a date within seven calendar days following the date the IRA was established. If the notice of revocation is sent by certified or registered mail, your IRA shall be considered to be revoked if the date of certification or registration within seven days of the date you established the IRA. If you revoke your IRA within this seven calendar-day period, you will be

entitled to a return of the entire amount you deposited without adjustment for such items as administrative expenses or fluctuations in market value.

2.3 **Establishing An IRA.** You may establish an IRA if you receive compensation. To establish any IRA, you must complete and sign an Adoption Agreement, and make a contribution to your IRA.

#### 2.4 **Eligibility.**

- (a) **Regular IRA.** You are eligible to establish and contribute to a Regular IRA if you earn wages. Contributions to your Regular IRA (other than rollover or transfer contributions) cannot exceed the earnings you receive for personal services in the year to which the contribution relates. Your status as an Active Participant in an employer-sponsored qualified retirement plan will not disqualify you from establishing a Regular IRA, but if you are an Active Participant, the deductibility of your contributions may be limited. See Section 3.1(b) for details.
- (b) **Roth IRA.** You are eligible to establish and contribute to a Roth IRA for a Tax Year if your AGI is within certain limits described in Section 3.1(c)3.1(e). You may make rollover and transfer contributions from other Roth IRAs and rollover contributions from Non-Roth IRAs under circumstances described in Section 4.1. Contributions to your Roth IRA (other than rollover and transfer contributions) must be made out of earnings you receive for personal services. Your status as an Active Participant in an employer-sponsored qualified retirement plan will not disqualify you from establishing a Roth IRA.

### 3. **CONTRIBUTIONS AND INVESTMENTS**

#### 3.1 **Contributions.**

- (a) **Regular IRA Generally.** Except for rollovers and transfers, the maximum amount that you may contribute to your Regular IRA for any Tax Year is the lesser of 100% of your earned Compensation or the Applicable Amount. If you are age 50 or older, the Applicable Amount includes a catch-up contribution. If you are married and file a joint income tax return, and your spouse's Compensation (if any) is less than your Compensation, your spouse may also make a contribution to his or her own Regular IRA. Under these circumstances, the maximum amount your spouse may contribute to his or her Regular IRA for any calendar year is the lesser of: (i) the amount of your Compensation for the calendar year added onto your spouse's Compensation for the calendar year reduced by the amount you contributed to your IRAs for such calendar year, or (ii) the Applicable Amount. The Applicable Amount changes from year to year. Current Applicable Amounts are listed in Appendix A. For additional information about Applicable Amounts, contact your financial advisor or the IRS.

There are three types of contributions: tax-deductible contributions, nondeductible contributions and rollover contributions. Rollover contributions are discussed in Section 4.1. Depending on your personal situation, your contribution may be wholly tax-deductible, partially tax-deductible or wholly nondeductible. You are required to determine what portion of your contribution is deductible and/or nondeductible. Penalties apply if you overstate the amount of your contributions. However, you are not required to inform Comerica and Comerica has no obligation to review your determination as to deductibility.

If you make a tax-deductible contribution, you may subtract the amount contributed up to the deduction limit from your gross income in computing your federal income tax liability for the year whether or not you itemize deductions.

If, you are an Active Participant because of the level of your AGI, the deductibility of your Regular IRA contribution is limited or eliminated, you may make a designated nondeductible contribution to your Regular IRA.

You may choose to designate your entire Regular IRA contribution as a nondeductible contribution.

You are not considered an Active Participant merely because your spouse is an Active Participant.

You have the responsibility for determining and reporting how much you contributed and what portion is deductible. Once contributed, taxation of earnings on the deductible and nondeductible contributions will

be deferred. You need to know how much of your account is made up of deductible and nondeductible contributions in order to determine the taxable portion of any distributions you receive.

Contributions to your Regular IRA for a Tax Year must be made by the due date of your federal income tax return for that Tax Year (not including extensions).

- (b) **Regular IRA Deduction Limits.** In any Tax Year, you may not deduct more than the Applicable Amount or 100% of your compensation for that Tax Year, if less, for contributions to one or more Regular IRAs for yourself. If you file a joint income tax return with your spouse, the Code provides that you and your spouse may be able to deduct contributions to your Regular IRA and to your spouse's Regular IRA provided the total contributions do not exceed the Applicable Amount.

You are not entitled to deduct any amount you contribute to an Inherited IRA or that is a rollover or transfer to your Regular IRA.

If you are not an Active Participant, all allowable contributions to your Regular IRA (other than rollover or transfer contributions) will be fully deductible from gross income for federal income tax purposes unless they are designated on your tax return as nondeductible. This is true whether or not you itemize deductions. Also, any amount by which your deduction limit is reduced because you are an Active Participant may be deposited in your Regular IRA as a designated nondeductible contribution.

You are allowed to make nondeductible contributions to your Regular IRA in an amount equal to the maximum amount deductible if the Active Participant limit were not applicable less the maximum amount deductible taking into consideration the Active Participant limit. You may also elect not to deduct any contribution to your Regular IRA, which could be deducted. A nondeductible contribution must be designated as such on your income tax return.

Nondeductible contributions for a Tax Year must be made by the due date of your federal income tax return for the Tax Year (not including extensions). Penalties may be imposed if you overstate the amount of designated nondeductible contributions for any Tax Year unless you can demonstrate that the overstatement was due to reasonable cause.

If you are an Active Participant, the deductibility of your contributions for federal income tax purposes will depend upon the level of your AGI (or the combined AGI of you and your spouse if a joint return is filed), and your federal income tax filing status. For Active Participants, the primary factors for determining your contribution limit are your filing status and modified adjusted gross income (modified AGI). Based on these two factors, you may either be eligible for the max, a reduced amount, or not eligible at all.

Unlike an ordinary savings account, the earnings on the funds in your Regular IRA are not currently taxable. Taxation is deferred until the Tax Year you take a distribution. Distributions from your Regular IRA are subject to taxation at ordinary income tax rates. The favorable income tax averaging treatment under the Code for certain lump sum distributions does not apply to distributions from your Regular IRA. This is true regardless of the form of your Regular IRA distribution, and regardless of the source of the contribution to your Regular IRA.

If you deducted all of the contributions to your Regular IRA, all distributions from your Regular IRA will be fully taxable for income tax purposes. If you made designated nondeductible contributions to your Regular IRA, distributions from your Regular IRA will be partially taxable and your nondeductible contributions will not be taxable when you receive them as distributions. If you made nondeductible contributions to your Regular IRA, the following formula can be utilized to provide an estimate of the nontaxable portion of any distributions you receive during a Tax Year:

$$\begin{array}{rcl} \text{Remaining Nondeductible} & & \text{Nontaxable} \\ \text{Contributions} & \times & \text{Distributions} \\ \text{Year-end Total IRA} & \text{Total Distributions} & = \\ \text{Accounts Balance} & \text{(for the year)} & \text{(for the year)} \end{array}$$

To arrive at the year-end total IRA account balance, treat all of your Regular IRAs as a single Regular IRA. Include all Regular IRAs, as well as SEP IRAs and SIMPLE IRAs. You must also add back the distributions taken during the year.

- (c) **Regular IRA Contributions.** Except for rollover, transfer or SEP IRA contributions, contributions to your Regular IRA for any Tax Year are limited to the lesser of the Applicable Amount or 100% of your Compensation. For Individuals who are 50 or older, the Applicable Amount includes a catch-up contribution.

No contributions will be accepted under a SIMPLE IRA established by any employer pursuant to Section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA Plan will be accepted from a SIMPLE IRA, prior to the expiration of the 2-year period beginning on the date the Individual first participated in that employer's SIMPLE IRA Plan. If you are married and your spouse's Compensation (if any) is less than your Compensation and you and your spouse file a joint income tax return, your spouse may make a contribution to a Spousal Regular IRA. The maximum amount your spouse may contribute to a Regular Spousal IRA for any Tax Year under such circumstances is the lesser of: (i) the Applicable Amount, or (ii) 100% of your Compensation for the Tax Year added to your spouse's Compensation for the Tax Year reduced by the amount you contributed to your IRA for such Tax Year. Except for rollovers, SEP IRA or SIMPLE IRA contributions, you may not make a contribution to your Regular IRA for any Tax Year during which you do not receive earned income. It is your responsibility to avoid exceeding the Applicable Amount. Custodian will not be liable for any taxes that may be imposed should your contributions exceed the Applicable Amount.

- (d) **Roth IRA Generally.** Contributions to a Roth IRA are not tax deductible. Except for rollovers, the maximum amount that you may contribute to a Roth IRA for any Tax Year is the lesser of 100% of your taxable Compensation for the year or the Applicable Amount, less any contributions other than a rollover to a Regular IRA. If you are age 50 or older, your Applicable Amount includes a catch-up contribution. If you are married and file a joint income tax return, and your spouse's Compensation (if any) is less than your Compensation, your spouse may also make a contribution to his or her own Roth IRA. Under these circumstances, the maximum amount your spouse may contribute to his or her own Roth IRA for any calendar year is the lesser of: (i) the amount of your Compensation added to your spouse's Compensation for the calendar year reduced by the amount you contributed to your Roth IRA and any amounts you deducted as Regular IRA contributions for such Tax Year, or (ii) the Applicable Amount.

The limit on Roth IRA contributions is reduced by contributions other than a rollover to any Regular IRA for the same Tax Year, including contributions by you or your employer to a SEP IRA or a SIMPLE IRA.

Contributions to your Roth IRA for a Tax Year must be made by the due date of your federal income tax return for that Tax Year (not including extensions).

- (e) **Income Limits on Roth IRA Contributions.** The amount which you may contribute to your Roth IRA will depend upon the level of your AGI (or the combined AGI of you and your spouse if a joint return is filed) and your income tax filing status.

In 2025, if the amount you can contribute must be reduced, figure your reduced contribution limit as follows.

- (1) Start with your modified AGI.
- (2) Subtract from the amount in (1):
  - a. \$236,000 if filing a joint return or qualifying widow(er),
  - b. \$-0- if married filing a separate return, and you lived with your spouse at any time during the year, or
  - c. \$150,000 for all other individuals.
- (3) Divide the result in (2) by \$15,000 (\$10,000 if filing a joint return, qualifying widow(er), or married filing a separate return and you lived with your spouse at any time during the year).
- (4) Multiply the maximum contribution limit (before reduction by this adjustment and before reduction for any contributions to traditional IRAs) by the result in (3).

- (5) Subtract the result in (4) from the maximum contribution limit before this reduction. The result is your reduced contribution limit. In order to compute your reduced contribution limit, you should consult your tax advisor.

- (f) **Roth IRA Contributions.** Except for rollover contributions and recharacterizations of a Regular IRA into a Roth IRA, contributions to your Roth IRA for any Tax Year are limited to the lesser of the Applicable Amount or 100% of your Compensation.

In 2025, this limit is reduced proportionally for married individuals filing joint tax returns whose modified AGI is equal to or greater than \$236,000 but is less than \$246,000 for 2025 and for singles and heads of household whose modified AGI is equal to or greater than \$150,000 but is less than \$165,000. Married individuals filing joint returns whose modified AGI is \$246,000 or more and single individuals whose modified AGI is \$165,000 or more for 2025 may not contribute to a Roth IRA for that Tax Year. These amounts will be adjusted for cost-of-living increases under Code Section 408A(C)(3). If you are married, your spouse's Compensation (if any) is less than your Compensation, and you and your spouse file a joint income tax return, your spouse may make a contribution to a Spousal Roth IRA. The maximum amount your spouse may contribute to a Roth Spousal IRA for any Tax Year under such circumstances is the lesser of: (i) the Applicable Amount, or (ii) 100% of your Compensation and your spouse's Compensation for the Tax Year reduced by the amounts you contributed to your IRAs for such Tax Year. Roth IRA contribution limits are reduced by any other contributions made by or on behalf of an Individual to a Non-Roth IRA. It is your responsibility to avoid exceeding the Applicable Amount. The Custodian will not be liable for any taxes that may be imposed should your contributions exceed the limits.

**3.2 Tax Penalty for Excess Contributions.** If you contribute more to your IRA than the amount allowable, the excess contribution may be subject to a 6% excise tax. The excise tax may be imposed each year the excess contribution remains in your IRA.

You can avoid the excise tax if you withdraw the excess contribution, along with the net income allocable to the excess, before the due date (including extensions) of your federal income tax return for the Tax Year of the excess contribution. The net income on the excess contribution will be treated as gross income for the Tax Year in which the excess contribution was made.

If you do not withdraw the excess contribution before such filing deadline, the 6% excise tax must be paid for the Tax Year of the excess contribution. To avoid the 6% excise tax for the following Tax Year, the remaining excess contribution can be eliminated if you either withdraw the amount from your IRA or if you treat the excess as a contribution in the following Tax Year.

### **3.3 Investment Options.**

Your IRA funds will be invested solely in accordance with instructions you provide Comerica, or, following your death, in accordance with instructions provided by your Beneficiary. You may change your investment instructions at any time by providing Comerica with written instructions. Comerica reserves a reasonable time to implement any change you request. You may incur additional expenses in connection with any change in your investments.

You may choose to invest your IRA funds in an interest-bearing deposit account. The contractual terms of any such account are set forth in the Business and Personal Deposit Account Contract. The terms of such accounts may be amended from time to time separate and apart from these Master Terms.

You may choose to invest your IRA funds in Other Permissible Investments acceptable to Comerica.

IRA assets may not be invested in life insurance contracts nor commingled with other property other than in a common trust fund or collective investment fund. You are also prohibited from investing assets of your IRA in Collectibles. Any investment in a Collectible will be treated as a distribution from your IRA of an amount equal to the cost to your IRA of the Collectible.

Contact your local Comerica Banking Center for a more complete discussion of your IRA investment options.

Comerica does not render advice relating to investment of your IRA funds and are not a "fiduciary" under the Employee Retirement Income Security Act of 1974 or under any other law.

3.4 **Prohibited Transactions.** If you engage in certain prohibited transactions with the funds in your IRA, then the balance in your IRA will be treated as having been distributed on the first day of the Tax Year and may be included in your taxable income. Prohibited Transactions are listed in Code Section 4975 and the authority promulgated thereunder. Examples of Prohibited Transactions include selling or leasing property to your IRA or attempt in another manner to derive economic benefits from the funds in your IRA, If you use all or any portion of your IRA as security for a loan, then the portion used as security is treated as having been distributed to you, and may be includable in your taxable income for the Tax Year.

3.5 **Cash Contributions Only.** All contributions to your IRA must be in the form of cash or cash equivalent (such as a check).

3.6 **Contribution Deadline.** Except for rollover or transfer contributions, the deadline to make contributions to your IRA for any Tax Year is the due date of your federal income tax return for such Tax Year (not including extensions). Since a contribution may be made in a year subsequent to the year to which it relates, you must advise Comerica which Tax Year each contribution is for. Otherwise, Comerica will treat any contribution you make as a contribution for the Tax Year Comerica receives it.

3.7 **SEP IRA.** A SEP IRA is your account in a plan established by an employer in which each employee is provided with a Regular IRA account that the employer may contribute to each year. Only your employer can make a contribution to your SEP IRA. Corporations, partnerships and sole proprietors may establish a SEP IRA plan. For purposes of a SEP IRA, employees (those eligible to benefit under a SEP IRA plan) is broadly defined to include traditional, common law employees, self-employed individuals and owner-employees. The amount an employer can contribute to an employee's SEP IRA is different than it is for other IRAs.

3.8 **SIMPLE IRA.** A SIMPLE IRA is a plan established by an employer and which is composed of an IRA account for each employee. SIMPLE IRAs are only available to employers with fewer than 100 employees and who do not sponsor another retirement plan. If your employer has established a SIMPLE IRA plan, you may be eligible to open a SIMPLE IRA with Comerica, depending on the design of the SIMPLE IRA plan. A Comerica representative should be able to help you determine if you are eligible to open a SIMPLE IRA. SIMPLE IRAs have different contribution limits than other IRAs.

3.9 **Special Contributions.** In addition to the amounts described in this Section 3, an individual may make any additional contributions specifically when authorized by applicable authority. These include repayments of Qualified Reservist Distributions or repayments of certain plan distributions made on account of a federally declared disaster. An individual who makes these special contributions may be prohibited from making catch-up contributions.

3.10 **Inherited IRA.** If your IRA is an inherited IRA within the meaning of Code Section 408(d)(3)(C), no contributions will be accepted.

#### 4. **ROLLOVERS AND DISTRIBUTIONS.**

##### 4.1 **Rollovers.**

- (a) **Generally.** There are limits on the number of rollovers that can be made in one year and numerous other technical requirements applicable to rollovers. In certain situations it may not be to your advantage to make a rollover contribution to a particular IRA or other tax-qualified arrangement. Because of the complexity of the rules and the severe adverse tax consequences you may suffer if the rollover rules are not strictly complied with, you should always consult your tax advisor before engaging in any type of rollover transaction involving your IRA.

All rollovers must be made in accordance with Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10) or 408(d)(3). If you wish to make a rollover contribution, you must certify to Comerica that your contribution is a distribution permitted to be rolled over to your IRA, and that you have complied with applicable rollover rules.

**Rollovers to Regular IRAs.** In certain circumstances you are permitted to receive distributions from an Eligible Retirement Plan and then contribute it to your Regular IRA within 60 days of receipt of the property without imposition of income tax or penalties. Such a contribution is called a rollover contribution. If the rollover is made within the 60-day period, you will not be taxed on the amount of the rollover until it is withdrawn (or treated as withdrawn) from your Regular IRA. You may also make

rollover contributions from your Regular IRA into another Regular IRA and, in certain cases, into an Eligible Retirement Plan.

- (b) **Rollover to Roth IRAs.** You are permitted to roll over assets from an Eligible Retirement Plan to your Roth IRA or to convert a Regular IRA into a Roth IRA regardless of your AGI. The rollover from an Eligible Retirement Plan to a Roth IRA may cause you to pay income taxes on some or all of the amount rolled over just as if you had taken a distribution from the Regular IRA. However, the 10% penalty excise tax on early withdrawals from a Regular IRA does not apply. The discussion in Section 4.10 concerning rollover procedures also applies to rollovers to Roth IRAs. In addition, you may convert a Regular IRA which you maintain with Comerica to a Roth IRA by executing a Roth IRA Adoption Agreement in substitution for your Regular IRA Adoption Agreement. Conversion of a Regular IRA to a Roth IRA results in the same income tax concerns and issues as a rollover. Such a rollover must be contributed to your Roth IRA not later than the 60th day after you receive such distribution. Your recharacterization of a Regular IRA to a Roth IRA will be treated the same as a rollover. Rollovers from a Regular IRA to a Roth IRA will require you to pay income taxes, but not early withdrawal penalty taxes, on some or all of the rollover.
- (c) **SIMPLE IRA.** Any distribution from a SIMPLE IRA during the two year period beginning on the date the distributee first participated in the salary reduction program pursuant to which contributions were made to the SIMPLE IRA must be paid into another SIMPLE IRA if it is to qualify as a rollover contribution.
- (d) **Direct (Trustee-to-Trustee) Transfers.** The trustee or custodian of any other IRAs you maintain (or Eligible Retirement Plan in which you participate) may transfer assets thereof directly to your IRA maintained with Comerica provided the property to be transferred is of a type which is acceptable to Comerica. You may also instruct Comerica to transfer funds in your IRA with Comerica directly to the trustee or custodian of an IRA you maintain at another financial institution. Such direct transfers are generally the preferable alternative to shift assets from one IRA to another because they are not subject to the detailed rollover requirements of the Code. It is your obligation to pay Comerica the transfer fee disclosed in the Personal Services and Charges Brochure and any other unpaid fees or charges relating to your IRA before Comerica transfers the balance to another custodian or trustee.
- (e) **Responsibilities In Connection With Contributions and Transfers.** It is your responsibility to comply with the tax laws and these Master Terms in making IRA contributions, rollovers and transfers. By accepting any contribution, rollover or transfer of property to your IRA, Comerica does not warrant any particular tax consequences, nor will Comerica pay any taxes, interest or penalties if you fail to comply with the tax laws.
- (f) **Qualified Rollover Contribution.** A qualified rollover contribution is a rollover contribution of a distribution from an Eligible Retirement Plan. If the distribution is from an IRA, the rollover must meet the requirements of Code Section 408(d)(3), except that the one-rollover-per-year rule in Code Section 408(d)(3)(B) does not apply if the distribution is from a Regular Roth IRA. If the distribution is from an Eligible Retirement Plan other than an IRA, the rollover must meet the requirements of Code Sections 402(c), 402(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16), as applicable. A qualified rollover contribution also includes: (i) all or part of a military death gratuity or service members' group life insurance ("SGLI") payment if the contribution is made within one year of receiving the gratuity or payment (such contributions are disregarded for purposes of the one-rollover-per-year rule under Code Section 408(d)(3)(B)) and (ii) all or part of an airline payment (as defined in Code Section 125 of the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), Pub. L. 110-458) received by certain airline employees if the contribution is made within 180 days of receiving the payment.

#### 4.2 Distributions.

- (a) **General Rules.** You may withdraw all or any portion of the funds in your IRA at any time. If you have not attained the age of 59-1/2, you must advise Comerica if the reason for the withdrawal exempts it from the 10% penalty tax on early withdrawals. See Section 4.3 below. You may direct at any time that Comerica transfers all or any portion of the funds in your IRA to another IRA that you maintain. It is your obligation to pay any transfer fees or other fees or charges owing with respect to your IRA before Comerica distributes the funds therein or transfer such funds to another trustee or custodian. Information

about fees can be found in the Personal and Business Account Contract. Withdrawal and transfer requests must be made on forms provided by Comerica.

Distributions from your IRA will be in cash.

You may instruct that Comerica transfer all or any portion of the funds in your IRA to an IRA for your former spouse, subject to your supplying Comerica a copy of the divorce decree, property settlement agreement, other agreement or court order establishing your former spouse's entitlement to such funds.

It is your obligation to comply with the tax laws when you receive distributions and transfer assets from your IRA. Comerica is not responsible if you fail to comply with the tax laws, give Comerica instructions which conflict with these laws, or fail to give instructions that enable compliance with these laws.

The available methods of distribution are designed to comply with distribution requirements of the Code. If, for any reason, you or your Beneficiary do not withdraw the required minimum distribution, a tax equal to 50% of the excess accumulation may be assessed.

- (b) **Required Minimum Distributions from Your Regular IRA.** You must begin receiving the required minimum distribution from your Regular IRA no later than your Required Beginning Date. For each succeeding year, a required minimum distribution must be made on or before December 31. If you wait to receive your first required minimum distribution until your Required Beginning Date, then in the year of your Required Beginning Date, you must take two required minimum distributions.

The amount of your requested distribution, including Required Minimum Distributions (RMDs), is the amount Comerica will distribute to you. Federal and State tax withholding (if applicable) will be calculated separately based on the distribution amount, deducted from your IRA and remitted to the IRS and/or the applicable State. This means that the total amount of your distribution, including RMDs, will equal the amount you requested PLUS the amount of Federal and State withholding taxes remitted and reported to the IRS and/or the applicable State.

By the Required Beginning Date you must elect, on a form provided by Comerica, to have the balance of your Regular IRA distributed in one of the following forms:

- (i) in the minimum annual amount permitted by law (the required minimum distribution),
- (ii) periodic payments totaling at least your required minimum distribution, or
- (iii) a lump sum.

If you do not choose a method of distribution described above within a reasonable time before your Required Beginning Date, the balance of your Regular IRA will commence to be distributed to you on your Required Beginning Date in accordance with option (i) above. The distribution will be the minimum required distribution for the Tax Year in which you reach age 73. Minimum required distributions for subsequent Tax Years, including the Tax Year in which your Required Beginning Date occurs, will be made by December 31st of that Tax Year.

Even if distributions have begun under options (i) or (ii) above, you (or your Beneficiary) may receive a distribution of the remaining balance of your Regular IRA at any time by providing written notice to Comerica.

Your first minimum required distribution is the balance in your IRA on the previous December 31st divided by 26.5, unless your spouse is your designated Beneficiary and your spouse is more than 10 years younger than you are, in which case the minimum required distribution will be calculated from a table in the Treasury Regulation Section 1.401(a)(9)-9, Q&A-3.

Required minimum distributions in later years are calculated from the Uniform Lifetime Distribution Table located at Treasury Regulation Section 1.401(a)(9), Q&A-2, unless your spouse is the designated Beneficiary and is more than 10 years younger than you. To use the table, determine the balance of your IRA on December 31st of the year before the year the distribution will be made, and divide that amount by the number from the distribution period column opposite your age in the year for which the distribution is being made.

Unless you have specified a method of payment in your Beneficiary designation, after your death, the Beneficiary may withdraw the remaining balance from the IRA at any time.

Any election of payment method by your Beneficiary must be made by December 31 of the year following the year of your death. If the funds are not removed by the end of the tenth year, the funds will be subject to a 50% Excise Tax unless the Beneficiary is anyone other than your surviving spouse, minor child, disabled or chronically ill individuals, or anyone within 10 years of age of the deceased account holder. If the Beneficiary is a surviving spouse, the surviving spouse may alternatively elect to be treated as the owner and make any distribution election the owner of an IRA may select in this Section 4.2(a) adjusting for the surviving spouse's age.

**Taxation of Regular IRA Distributions.** In general, distributions from your Regular IRA are includable in your taxable income except for the amount of nondeductible contributions you made.

- (c) **Regular IRA Retirement Age Distributions.** After you attain the age of 59-1/2, you will be subject to federal income tax in connection with distributions from your Regular IRA unless the distribution constitutes a return of nondeductible contributions. You may be able to defer the tax if you roll over the funds received to Regular IRA within 60 days of your receipt of such funds (and the funds are not required minimum distributions). Between ages 59-1/2 and 73, you may receive distributions from your Regular IRA in any amount you choose subject to the payment of income tax on any taxable distributions, although you are not required to receive distributions from your Regular IRA until you are 73. If you voluntarily elect to receive distributions between ages 59-1/2 and 73, the distributions need not be in any minimum amount. Although tax penalties are not applicable to distributions after you attain the age of 59-1/2, Comerica may impose fees or penalties if you prematurely terminate the investments held within your IRA. These penalties are set forth in the Business and Personal Deposit Account Contract.

**Required Minimum Distribution Method For Distribution.** The amount requested for distribution, including Required Minimum Distributions (RMD), is the amount Comerica Bank will distribute to the accountholder(s).

Comerica Bank will distribute the amount requested for distribution, including Required Minimum Distributions (RMD). Federal tax withholding is calculated based upon the distribution amount and accountholder's withholding election percentage. Federal tax withholding (along with any applicable State withholding elections) will be calculated separately based upon the distribution amount, processed as separate transactions following distribution and remitted to the IRS or applicable State.

To calculate the Federal Withholding that will be added to the RMD, the following formula is utilized:

Amount requested or calculated RMD / [ 1 - Federal Withholding election percentage] = Total withdrawal

*Example #1:* Customer requests or has a calculated RMD of \$3,000 and has elected 10% Federal Withholding.

$\$3,000 / [1 - 0.10] = \$3,333.33$  in total is withdrawn (customer receives \$3,000, \$333.33 is remitted by Comerica to the IRS for federal withholding)

*Example #2:* Customer requests or has a calculated RMD of \$3,000 and has elected 25% Federal Withholding.

$\$3,000 / [1 - 0.25] = \$4,000$  in total is withdrawn (customer receives \$3,000, \$1,000 is remitted by Comerica to the IRS for federal withholding)

*Example #3:* Customer requests or has a calculated RMD of \$3,000, has elected 10% Federal Withholding and 5% State Withholding.

$\$3,000 / [1 - 0.10] = \$3,333.33$  is withdrawn (customer receives \$3,000, \$333.33 is remitted by Comerica to the IRS for federal withholding).  
State withholding =  $\$3,000 \times .05\% = \$150$  is remitted by Comerica to the applicable State. In total, \$3,483.33 is withdrawn.

**An accountholder may prefer to set a distribution amount that includes all applicable Federal and State withholding.**

Accountholders may prefer to set a distribution amount in which calculated Federal tax withholding (and any applicable State withholding elections) are included in the total distribution amount. Accountholders who elect this “Gross” distribution option will need to visit a banking center each time they take a withdrawal.

Accountholders may change Federal or State tax withholding election(s) by visiting a local banking center and completing a revised W-4P. Elections are retained until replaced with a revised W-4P.

**Rules for IRA balances upon the death of the account owner prior to 1/1/2020**

- (d) **Required Minimum Distributions from a Regular IRA After Your Death.** If you die before the entire balance of your IRA is distributed, the entire remaining balance of your IRA will be distributed as described below:
- (i) If you die on or after the Required Beginning Date, the remaining portion of your IRA will be distributed as follows:
    - (1) If the Beneficiary is someone other than your surviving spouse, the remaining balance will be distributed over the remaining Life Expectancy of the Beneficiary, determined using the Beneficiary’s age as of his or her birthday in the year following the year of your death.
    - (2) If your Beneficiary is your surviving spouse, the remaining balance will be distributed over your surviving spouse’s Life Expectancy. Any interest remaining after your surviving spouse’s death will be distributed to your spouse’s remaining Life Expectancy determined using the surviving spouse’s age as of his or her birthday in the year of the surviving spouse’s death, or, if the distributions are being made over the period described in paragraph (3) below, over such period.
    - (3) If there is no Beneficiary, the remaining balance will be distributed to your estate.
    - (4) The amount to be distributed each year under paragraph (1) or (2), beginning with the calendar year following the calendar year of the Individual’s death, is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining Life Expectancy specified in such paragraph.

If distributions are being made to a surviving spouse as the designated Beneficiary, such surviving spouse’s remaining Life Expectancy for a year is the number in the Single Life Table (located at Treasury regulation 1.401(a)(9)-9, Q&A-1) corresponding to such surviving spouse’s age in that year. In all other cases, remaining Life Expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary’s or individual’s age in the year specified in paragraph (1) or (2), and reduced by 1 for each subsequent year.
  - (ii) If you die before your required Beginning Date, your entire interest will be distributed at least as quickly as follows:
    - (1) If the Beneficiary is someone other than your spouse, the entire balance will be distributed, starting by the end of the calendar year following the calendar year

of your death, over the remaining Life Expectancy of the Beneficiary, with such Life Expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of your death.

- (2) If your sole Beneficiary is your surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of your death (or by the end of the calendar year in which you would have attained age 70-1/2, if later), over such surviving spouse's Life Expectancy. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the surviving spouse's death, over the surviving spouse's Beneficiary's remaining Life Expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the surviving spouse. If the surviving spouse dies after distributions are required to begin, any remaining balance will be distributed over the surviving spouse's remaining Life Expectancy determined using the surviving spouse's age as of his or her birthday in the year of the surviving spouse's death.

If this is an inherited IRA established for the benefit of a nonspouse Beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased Individual under Code Section 402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the nonspouse Beneficiary may elect to have distributions made under this paragraph if the transfer is made no later than the end of the year following the year of death.

- (3) If there is no Beneficiary, the remaining balance will be distributed to your estate.
- (4) The amount to be distributed each year under paragraph (1) or (2) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining Life Expectancy specified in such paragraph. If distributions are being made to a surviving spouse as the sole Beneficiary, such surviving spouse's remaining Life Expectancy for a year is the number in the Single Life Table (located at Treasury Regulation 1.401(a)(9)-9, Q&A-1) corresponding to such surviving spouse's age in that year. In all other cases, remaining Life Expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (1) or (2) and reduced by 1 for each subsequent year.

- (iii) If the Beneficiary is the Individual's surviving spouse, the surviving spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required minimum distributions as a Beneficiary.

#### **Rules for IRA balances upon the death of the account owner after 12/31/2019**

Beneficiaries of IRA's (Traditional & Roth) must withdraw all the money from inherited retirement accounts over 10 years. Taxpayers would have the flexibility around when they take distributions – equal amounts every year or withdraw it all at the 10-year mark. Failing to withdraw all the funds within the 10-year period would result in a 50% tax penalty on the remaining funds in the account.

The new rules would not apply to:

- Surviving spouse
- Minor child
- Disabled or chronically ill individuals
- Anyone within 10 years of age of the deceased account holder

- (e) **Required Minimum Distributions from Your Roth IRA.** Roth IRAs do not have required minimum distribution as Regular IRAs have or a Required Beginning Date. You may receive a distribution in any amount up to the remaining balance of your Roth IRA at any time by providing written notice to Comerica.

**Rules for IRA balances upon the death of the account owner prior to 1/1/2020**

- (f) **Roth IRA Distributions After Your Death.** After your death, the distribution of your interest in the account shall be made in accordance with the requirements of Code Section 408(a)(6), as modified by Code Section 408A(c)(5) and the authority thereunder, the provisions of which are incorporated by reference. If you die before you have withdrawn the entire balance from your Roth IRA, the balance will be distributed to your Beneficiary over the Beneficiary's Life Expectancy or by the end of the fifth calendar year after the date of your death if that is longer or to your estate if there is no Beneficiary.

If the Beneficiary is not your surviving spouse, then the Beneficiary's Life Expectancy is determined in the year after your death and is reduced by one year in each year thereafter. Distributions to the Beneficiary must begin by the end of the calendar year after the year of your death.

If the Beneficiary is your surviving spouse, then distributions are not required to begin until the year in which you would have reached age 70-1/2 and the spouse's Life Expectancy is redetermined each year using his or her age in that year. Your surviving spouse may also elect to treat the IRA as his or her own IRA. This election is deemed to be made if he or she makes a contribution to the IRA or fails to take a required distribution. The effect of redetermining your surviving spouse's Life Expectancy is that the entire balance of the IRA will not be required to be paid until the surviving spouse's death.

If your surviving spouse dies before distributions have begun, the balance will be distributed over the life of the Beneficiary he or she has named. If your surviving spouse dies after distributions have begun, then the balance will be distributed over his or her remaining Life Expectancy at death.

Unless you have specified a method of payment in your Beneficiary designation, after your death the Beneficiary may withdraw the remaining balance from the IRA at any time. Any election of payment method by your Beneficiary must be made by December 31 of the year following the year of your death.

If you or your Beneficiary do not elect either of the distribution options described above, total distribution will be made by the December 31 after the fifth anniversary of your death if the Beneficiary is anyone other than your surviving spouse. If the Beneficiary is a surviving spouse, the surviving spouse may alternatively elect to be treated as the owner and make any distribution election the owner of an IRA may select in this Section 4.20 adjusting for the surviving spouse's age.

The available methods of distribution are designed to comply with distribution requirements of the Code. If, for any reason, your Beneficiary does not withdraw the minimum required amount, a tax equal to 50% of the excess accumulation may be assessed.

**Rules for IRA balances upon the death of the account owner after 12/31/2019**

Beneficiaries of IRA's (Traditional & Roth) must withdraw all the money from inherited retirement accounts over 10 years. Taxpayers would have the flexibility around when they take distributions – equal amounts every year or withdraw it all at the 10-year mark. Failing to withdraw all the funds within the 10-year period would result in a 50% tax penalty on the remaining funds in the account.

The new rules would not apply to:

- Surviving spouse
- Minor child
- Disabled or chronically ill individuals
- Anyone within 10 years of age of the deceased account holder

- (g) **Taxation of Distributions from Roth IRAs.** Qualified Distributions from your Roth IRA are not subject to income tax.

Non-Qualified Distributions are taxable only after all of your contributions to your Roth IRA have been distributed. For example, if you had contributed \$1,000 to your Roth IRA and your account balance had increased to \$2,000 through investment earnings, and you then took a non-Qualified Distribution of \$1,000, you would not be taxed on the distribution. However, if a non-Qualified Distribution of \$1,500 were distributed, you would owe income taxes on \$500.

First time home buyer expenses are limited to a cumulative lifetime total of \$10,000 used (or returned to the IRA) within 120 days after distribution, to pay the costs (including financing and closing costs), of buying, building or rebuilding your principal residence or the principal residence of your spouse, you or your spouse's child, grandchild, or ancestor.

- (h) **Roth IRA Retirement-Age Distributions.** After you attain the age of 59-1/2 and 5 years have elapsed since the first day of the year to which your first contribution related, you will not be subject to federal income tax on any distribution (including earnings) from your Roth IRA. You may be subject to fees or penalties which are set forth in the Business and Personal Deposit Account Contract. You are not required to withdraw any minimum amount from your Roth IRA at any time.
- (i) **Roth IRA Distributions.** Generally, you pay no income taxes on qualified distributions from your Roth IRA. Certain early distributions, however, are not qualified distributions and may result in income taxes on the amount distributed in excess of the amounts you contributed to your Roth IRA. Distributions which are not qualified are distributions made before you reach age 59-1/2, unless the distribution is made after you become disabled or die or is a qualified first time home buyer distribution, which is defined as follows: Distributions, cumulatively limited to \$10,000, used within 120 days to pay the costs (including financing and closing costs) of buying, building or rebuilding your principal residence or the principal residence of your spouse, child, grandchild or ancestor or any of their spouses, for a person who has not owned a residence within the two years before the purchase. A distribution is also not a Qualified Distribution if it is made within five years from the first day of the year to which your Roth IRA relates or is allocable to a rollover from a Regular IRA made within five years from the beginning of the year of the rollover. In addition to the taxes, you may also be subject to fees and penalties that are set forth in the Business and Personal Deposit Account Contract.
- (j) **Distributions from Multiple IRAs.** Required minimum distributions need not be made proportionately from each IRA. You may satisfy the required minimum distribution requirements of Code Section 408(a)(6) by receiving a distribution from one or more IRA that is equal to the amount required to satisfy the required minimum distribution for all of your IRAs. Treasury Regulation Section 1.408-8, Q&A-9 for additional details regarding minimum distributions from multiple IRAs.
- (k) Notwithstanding any provision herein to the contrary, the distribution of the individual's interest in the account shall be made in accordance with the requirements of Code Section 408(a)(6) and the authority thereunder, the provisions of which are herein incorporated by reference.

4.3 **Early Distributions.** If you receive a distribution from your IRA before you reach age 59-1/2, it is subject to income tax except to the extent the distribution is not includable in gross income because it constitutes a return of nondeductible contributions or is validly rolled over to another IRA. In addition, you may be subject to an additional tax equal to 10% of the portion of the distribution includable in gross income. The additional tax will not apply to any distribution which is (i) made to your Beneficiary (including your estate) following your death; (ii) attributable to your being disabled within the meaning of Code Section 72(m)(7); (iii) part of a series of substantially equal periodic payments made not less frequently than annually over your Life Expectancy or over the joint life and last survivor expectancy of you and your Beneficiary; (iv) made to you to the extent the amount of any such distributions do not exceed the amount allowable to you as a deduction under Code Section 213 for amounts paid during the Tax Year for medical care (determined without regard to whether you itemize deductions for such Tax Year); (v) made to you while you are unemployed to the extent the amounts distributed do not exceed the amount you paid during the Tax Year as premiums for health insurance coverage for yourself and your dependents; (vi) used as provided in Code Section 72(t) within 120 days to pay the costs (including financing and closing costs) of buying, building or rebuilding your principal residence or the principal residence of your spouse, child, grandchild or ancestor or any of their spouses, for a person who has not owned a residence within the two years before the purchase but not exceeding \$10,000 in your lifetime; (vii) made to you and does not exceed qualified higher education expenses (within the meaning of Code Section 72(t)(7)) for yourself, your spouse or children or grandchildren of either for the Tax Year in which you receive the distribution; or (viii) a Qualified Reservist Distribution. If you take an early IRA

distribution, in addition to the tax penalties, you may also be subject to fees and penalties which are set forth in the Business and Personal Deposit Account Contract.

**4.4 Tax Penalty for Early Withdrawals from Regular IRAs.** The purpose of an IRA is to enable you to accumulate funds for retirement years. To discourage early withdrawal of funds from your Regular IRA, a federal penalty tax is imposed in addition to regular income tax on certain early distributions from your Regular IRA. The penalty tax is 10% of the portion of the amount withdrawn which is includable in your gross income. (Regular income tax is imposed on all Regular IRA distributions except amounts that constitute a return of designated nondeductible contributions.) The penalty tax does not apply to the following withdrawals:

1. On or after you reach age 59-1/2;
2. To your Beneficiary or estate after your death;
3. Attributable to your disability;
4. A rollover to another IRA;
5. To correct an excess contribution before the due date of your tax return;
6. To correct an excess rollover contribution which was caused by erroneous tax information supplied by your employer on which you reasonably relied;
7. Return of non-deductible contributions;
8. Distributions after separation of service that are part of a series of substantially equal periodic payments made not less frequently than annually over your life (or Life Expectancy) or over the joint lives (or joint Life Expectancy) of you and your Beneficiary;
9. Distributions not exceeding deductible medical expenses, determined without regard to whether deductions are itemized;
10. Made while unemployed, provided the amount distributed to you does not exceed the amount you paid during the year as premiums for health insurance coverage for yourself and your dependents;
11. Up to a cumulative lifetime limit of \$10,000 and is used (or returned to the IRA) within 120 days after distribution, to pay the costs (including financing and closing costs), of buying, building or rebuilding your principal residence or the principal residence of your spouse, or the principal residence of you or your spouse's child, grandchild, or ancestor;
12. Not in excess of the "qualified higher education expenses" for yourself, your spouse or children or grandchildren of either (see Code Section 72(t)(7));
13. A Qualified Reservist Distribution;
14. Qualified Hurricane or Wildfire Distributions;
15. Qualified birth or adoptions.

**You must advise Comerica** if one of these exceptions applies (other than attaining age 59-1/2).

If any amount is received as a distribution from a SIMPLE IRA during the two-year period beginning on the date you first commenced participation in any qualified salary reduction arrangement maintained by your employer to facilitate contributions to the SIMPLE IRA, the additional tax on the recipient will be 25% instead of 10%.

**4.5 Tax Withholding Requirements.** Comerica may be required to withhold income tax in connection with distributions from a Regular IRA unless your address is within the United States and you have filed an election with Comerica not to withhold tax. Your written election will remain in effect until it is revoked. You may revoke your election at any time. You may still be subject to penalties under the estimated tax payment rules if the payments of estimated tax are not adequate and sufficient tax is not withheld from the payment or distribution. If you have not made an election or the election you have made has expired or is otherwise no longer effective, Comerica will withhold 10%, if withholding is required under the Code.

## **5. MISCELLANEOUS INFORMATION.**

### **5.1 Miscellaneous Tax Considerations.**

Amounts contributed to your IRA are not subject to federal gift tax, although at your death the balance in your IRA may be subject to federal estate tax.

State income, inheritance or other taxes may apply to IRA distributions. You should consult your tax advisor for more information.

Regular IRA contributions may be deductible on your federal income tax return. If you owe penalty taxes for excess contributions, early withdrawals or failure to receive required minimum distributions, you must file Form 5329. If you make a designated nondeductible contribution to or receive a distribution from your Regular IRA, you must report certain information on your tax return for the year. To obtain general information about IRAs and more information about tax filing requirements, contact any District Office of the IRS, your tax advisor or both.

5.2 **Fees.** Comerica may charge fees for the establishment and maintenance of your IRA. Comerica may also charge additional fees if it is necessary to incur extraordinary expenses specifically attributable to your IRA (including, without limitation, collection fees or expenses for legal services incurred in connection with a rollover contribution). Other charges may be assessed if you direct investment of your IRA funds in Other Permissible Investments. Comerica may also charge a fee for IRA balances that are moved to another IRA for which Comerica is not the Custodian. Unless otherwise indicated, all such fees and charges will be collected by charging your IRA. If it becomes necessary to liquidate assets in your IRA to pay fees and expenses, Comerica may request that you indicate those assets to be sold to cover such amounts, and if you do not provide Comerica with specific instructions within 10 business days of Comerica's request, Comerica reserves the right to sell any assets to cover such amounts. A schedule of fees and charges is contained in Comerica's Business and Personal Deposit Account Contract. Comerica reserves the right to amend our fees from time to time, without advanced notice, unless notice is required by law.

5.3 **Nonforfeitable.** Your interest in your IRA is nonforfeitable at all times.

5.4 **U.S. Account.** Your IRA has been established in the United States for the exclusive benefit of you and your beneficiaries.

5.5 **Beneficiaries.** You may designate a Beneficiary of your IRA. Comerica will provide a Beneficiary designation form which you must complete and return to Comerica. At your written request, Comerica will not honor any designation of Beneficiary form unless it is completed and delivered to Comerica during your lifetime. You may change your Beneficiary at any time prior to your death by delivering a new Beneficiary designation form to Comerica. Your delivery of a new Beneficiary designation form to Comerica will revoke all prior Beneficiary designation forms. If you do not effectively designate a Beneficiary, or if no such Beneficiary survives you, your Beneficiary will be your surviving spouse or if there is no spouse Beneficiary; your estate. Prior to receiving payments from your IRA following your death, any person must establish to the satisfaction of the Custodian his or her right to receive such benefits.

5.6 **Prohibition Against Assignment.** You may not assign or transfer your interest in your IRA, borrow from it, or use it as security for a loan.

5.7 **Maintenance of Records** Comerica, while it is custodian of your IRA, will keep accurate records of transactions relating to your IRA.

5.8 **Bank Statements.** Comerica will provide a statement to you relating to your IRA at least annually.

5.9 **Amendment.** Comerica may amend these Master Terms at any time without your consent in order to comply with the provisions of the Code and other legal requirements and authority, although no such amendment may authorize or permit any funds in your IRA to be diverted or used for purposes other than your exclusive benefit or that of your Beneficiary. Comerica will provide you notice of any amendment as required under law. Changes in applicable law may take effect before you are notified.

5.10 **Resignation.** Comerica may resign as Custodian at any time, in which case you will be notified.

5.11 **Removal.** You may remove Comerica as Custodian by directing Comerica to distribute the balance of your IRA (less unpaid fees and charges) to you or to transfer it to another custodian or trustee.

5.12 **Nature of IRA.** It is Comerica's intention that your IRA qualify as an "individual retirement account" under Code Section 408 or Code Section 408A, and the provisions hereof shall be interpreted and implemented so as to carry out that intention.

5.13 **Related Documents and Forms.** This document sets forth the official provisions governing your IRA. It should be read in conjunction with the related document referred in these Master Terms, including without limitation the Adoption Agreement, Designation of Beneficiary form and the Business and Deposit Account Contract.

5.14 **Acquisition of Custodian or IRA Deposits.** If Comerica is acquired by another organization, or any of the IRA deposits with respect to which Comerica acts as Custodian are purchased by another organization, or Comerica changes our corporate structure pursuant to a merger, consolidation, spin-off, or other form of corporate reorganization or change our name, then you hereby consent that the acquiring or resulting entity will serve as successor custodian of your IRA with all duties and responsibilities of the Custodian.

5.15 **Reports to the IRS.** The Custodian of an IRA must furnish annual calendar year reports concerning the status of the account and such information concerning required minimum distribution as is prescribed by the government.

5.16 **Effective Date.** Except as may be otherwise provided, the provisions herein are effective as of **January 1, 2025.**

**APPENDIX A**  
**COLA Increases for Dollar Limitations on Benefits and Contributions**

<b>IRAs</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
IRA Contribution Limit	7,000	7,000	6,500
IRA Catch-Up Contributions	1,000	1,000	1,000
<b>IRA AGI Deduction Phase-out Starting at</b>			
Joint Return	236,000	230,000	218,000
Single or Head of Household	150,000	146,000	138,000
<b>SEP</b>			
SEP Minimum Compensation	750	750	750
SEP Maximum Compensation	350,000	345,000	330,000
SEP Maximum Contributions	70,000	69,000	66,000
<b>SIMPLE Plans</b>			
SIMPLE Maximum Contributions	16,500	16,000	15,500
Catch-up Contributions	3,500	3,500	3,500

